Road Transport Arrangements

Self-managed Owned or Rented Vehicles

Agencies running operations of any length in any context may wish to buy, rent or lease vehicles that are solely dedicated to and under the management of the agency itself. If an organisation decides to acquire its own vehicles, there are a number of areas to be considered, such as the type of vehicle and body type. The nature of the emergency response operation may also require that mechanical handling aids need to be incorporated into the overall vehicle specification to facilitate loading and offloading. Rented and owned vehicles can be sourced locally, or they can be imported into the response operation at the behest of the organisation. Bringing in outside vehicles might be the best way of finding the best or most appropriate equipment, but may take a long time to acquire and cost a large sum of money depending on the distance to delivery and the type of transport used. Vehicles brought from a different country will also need to undergo regular customs formalities.

Be aware that some countries do not allow particular models to be imported. This is due mainly due environmental or economic reasons. In some cases, countries put extremely high import and/or registration taxes to protect their manufacturing market. If agencies are looking to import a vehicle, it is of paramount importance to find out the official and practical procedures for import.

Advantages to self-managed vehicles:

- **Purpose Built** – Rented or owned vehicles can be designed, modified or built specifically to carry a particular product, such as cold chain items, which might require special handling.
- **Self Managed Drivers** – Organisations in total control over their vehicles will be able to train and supply their own drivers, which will allow for development, specialisation and quality control in case of performance issues.
- **Customisation** – Rented or owned vehicle can be outfitted with logos and visibility, and can have customs communications equipment installed and configured.
- **Quality Control** – Using a self-managed vehicle it's much easier to ensure that the vehicle is used in an appropriate and ethical manner befitting of the agency.

Disadvantages to self-managed vehicles:

- **Time and Complexity** - Self-management of vehicles and fleets can occupy a great deal of time, and require excessive attention from management.
- **Special Knowledge** – Maintaining one or more shipping vehicles requires special skills and knowledge. Unless outside arrangements are made with third party repair services, organisations will have to identify and contract mechanics, and manage their own supply chain of spare parts. Dispatch and fleet management is also its own special skill, and requires knowledgeable and trained staff for coordinating movement of multiple vehicles.
- **Costs** – the start up and investment capital to obtain vehicles, drivers and parts can be substantial, and aid agencies limited to grant funding may not be able to cover costs all at once. Operating in many contexts will also incur substantial insurance costs as well. An owned vehicle must be managed until its property is effectively transferred to another party, including the update of property records by the local authorities. The organisation can be held accountable for any liability related to the vehicle during the ownership period.
- **Single Point of Failure** – Organisations that own or manage their own vehicles run the

risk of mechanical issues or an accident completely halting use of that vehicle at any time.

Drivers are an essential component to self-managed trucking fleets, equally as important and the vehicles themselves. Even if an organisation has a perfectly maintained fleet, if they are using poor quality drivers, have drivers who are not licensed to operate in any given context, or don't invest in training drivers, then accidents, damages, cargo loss and possibly issues with fines or law suits may occur. Agencies seeking to maintain their own vehicles and have a staff pool of drivers should ensure that the hiring practice is transparent and skills and knowledge are clearly demonstrated. When recruiting drivers, agencies might consider:

- Asking for documentation to prove authorised license to operate the vehicle in question
- Request a background check
- Ask the applicant to demonstrate their driving skill first hand in a safe location
- Have technical questions prepared
- If possible, enact a drug screening program

Third-Party Transport

Humanitarian organisations have become increasingly reliant on third-party transport providers as a method of moving cargo into and around response operations. The overall running cost of using third-party companies may be higher, but in the volatile nature of response activities, outside companies can help start operations quickly, and organisations can start or stop operations as quickly as needed without concern for what to do with large physical assets like trucks. Even if an organisation owns its vehicles, there may well be occasions when a need arises for additional capacity to meet peak activity or other short-term needs. This can be met by the use of vehicles supplied by a third-party commercial transport provider.

Third-party transport companies can usually be sourced locally within or near the emergency context, and utilising them also serves the function of putting money into the local economy and fostering local acceptance of the aid agency in question. Organisations should follow all due diligence when soliciting and selecting third-party transport companies, and follow their own internal procurement procedures wherever possible.

Advantages of third-party transport:

- **Flexibility** - Organisations can use commercial providers to meet fluctuating demand requirements
- **No Size Constraint** – Organisations that may only ship infrequently, or only ship small quantities and may not need self-managed vehicles on hand at all times. Third-party transport caters to variable loads and journeys.
- **Lower Upfront Cost** – Third-party transporters will have virtually no start-up costs, and the transporter may be able to offer a more cost-effective and a more efficient service by sharing loads with other shippers.
- **Reduced Complexity** – The administration of vehicles and drivers is no longer the responsibility of the organisation, allowing the administration teams of the organisation to focus on other areas.
- **Local Knowledge** - Third-party transporters or providers may have better working knowledge of country requirements, local restrictions, geography, vehicle requirements or limitations, optimised routes, sticking points and more.

Disadvantages of third-party transport:

- **Ethics Concerns** – Third-party transporters don't directly represent a contracting

organisation, and as such may engage in activities aid agencies might find unethical, such as transporting equipment for parties to a conflict or employing child labour. Driver standards are also not controlled by the shipper, and activities such as drug use or unsafe driving may occur.
- **Additional Risk** – Though shippers may utilise additional insurance, there is always an increased risk using third-parties who may have less vested interest in the delivery of aid cargo.
- **Higher Long-term Cost** – Though start up costs may be substantially less with third-party transporters, over a long enough period of time and with enough cargo, third-party commercial transport may always be higher per kg. Organisations who are in a long-term programme and ship high volumes of cargo might encounter cheaper costs through renting or owing their own self-managed vehicles.

Considerations for both third-party and self-managed cargo transport:

Whether the vehicles being used are owned, hired or are managed by a third-party, it is important to ensure that all local laws relating to the licensing, insurance and regulation of vehicles are adhered to:

- Drivers have a legally obtained licence to operate the class of vehicle they are driving on public roads and highways.
- Fees are paid for specific loads such as oversized or hazardous goods.
- Vehicles should be insured to at least the minimum required by law. Different organisations will have internal policies regarding the extent to which their own vehicles should be insured
- Vehicles may also require documentation relating to the maximum permissible weights in terms of gross vehicle weight, axle weight and payload.

Third-Party Trucking Rates

How third-party trucking companies choose to charge for transport services depends on the country, the context, the anticipated needs of the contract, and even local norms and regulations. Common arrangements:

Pre-Defined Route	Many trucking providers like to develop contracts based on pre-defined routes. The contract will stipulate a pre-established rate between two locations, expressed as either the cost of the whole vehicle, or as a rate per kg. Pre-defined route based rates are good for agencies that have a known project plan with known and commonly used destinations. Soliciting tenders based on route based rates will help planners easily identify which trucking providers are more cost effective in which areas.
Time-Bound	In some situations, planners and transporters may wish to specify contracts based on specific time intervals, usually daily or hourly rates. Time-based rates might be useful in the early days of a response, especially daily leasing of trucking services. Time-bound rates may also lead to poor cost controls however - if a vehicle is delayed for whatever reason, renters of the trucking service will be obliged to pay for those days unless otherwise clearly specified in the contract.
Distance Based	Some contracts are expressed as a rate per distance - usually kilometres - and charge renters of truck service per kg or vehicle. Distance based contracting may be similar to pre-defined routes, however it may be used when planners don't know all final destinations for delivery in advance. Planners should be careful with distance based rates - unless they have detailed knowledge of routes, they may have no way of validating actual distances covered. Planners may also want to implement a vehicle log book to track driver movements.

Chargeable Weight

In most humanitarian contexts, the only constraints to loading a vehicle are the weight of the cargo, and if the load is oversized. There are some situations in which trucking companies may charge based on what is known as "volumetric weight." Volumetric weight can be applied when cargo is very light compared to its volume. If a humanitarian agency is leasing an entire truck the density of cargo may not be important, however in situations where an agency is being charged per kg, trucking companies may include minimum volumetric weights to help recover operating costs. Planners should assume that light, volumetric cargo may be charged at a different rate.

There is no one universal standard for volumetric weight, however a good indicator of volumetric weight might be:

Metric	**(L (cm) × W (cm) × H (cm))333 = Volumetric Weight (KG)**